



February 15, 2005

Hello! This is my second e-mail legislative report for the 2005 session. Thanks to the many people who replied to my first report a few weeks ago. I appreciated your feedback.

These reports combine information about bills I'm sponsoring on behalf of 39th District residents with information that's intended to give you a feel for the legislation that is coming before us. I'll also try to address some of your specific questions and comments as we continue through the session.

Please pass this information along to anyone you like. And be sure to contact me if you want to share your opinion or need my help dealing with a state agency. My e-mail address is Kristiansen.Dan@leg.wa.gov, the toll-free legislative hotline is 800-562-6000, and my direct office number in Olympia is 360-786-7967. I look forward to hearing from you.

Sincerely,
Dan Kristiansen

Flooding control bill puts spotlight on 39th District

One of the most important bills for the 39th Legislative District saw its first action this past Friday. The House Natural Resources, Ecology and Parks Committee took testimony on House Bill 1354. Representative Pearson and I introduced that bill, which would create a pilot flood control and stream bank restoration program for Skagit, Snohomish, Whatcom and King counties.

More specifically, our bill would allow stream banks to be fortified and actions to be taken against future flooding. The four counties would administer the program with assistance from the Department of Ecology, the Department of Fish and Wildlife, and the Department of Natural Resources.

Many of you know firsthand how the flooding situation in our district is only getting worse. I know of a person whose home used to be 1,000 feet from the river, and now pieces of her home are in the river. I don't think the debris does anything to help the fish, and Representative Pearson and I made that argument on Friday. We think it's time to give the county governments in our district the opportunity to show what they can do about the flooding in a way that balances the needs of people and fish.

It was good for the committee members to hear so many firsthand reports of how flooding of the Skagit, Sauk, Stillaguamish, Skykomish and other rivers in our district have affected property owners. We appreciate the efforts of people like Darrell Turner, Lori Kratzer and Diane Boyd and many others to point out the need to protect landowners

as well as fish, and deal with the nightmare of permitting problems people have encountered.

Although the committee did not vote on the bill Friday, it's possible action could be taken on it this week. You can follow the bill's progress online by going to <http://www.leg.wa.gov/wsladm/billinfo1/dspBillSummary.cfm?billnumber=1354>.

Monroe reservoir project makes public works funding list

The first measure passed this session was House Bill 1049, a version of a bill seen regularly each year. The bill approved the 2005 schedule of low- or no-interest loans for public works projects around the state, as submitted by the state's Public Works Board. This year there were 64 projects in line for loans totaling \$155 million drawn from the state's Public Works Trust Fund.

Monroe's Highland Water District has one of the 64 public works projects. It will receive a \$573,750 loan, equal to 85 percent of the anticipated cost of its Reservoir No. 2 project: a half-million gallon steel water tank and foundation, along with lines, valves, an access road and other improvements.

The trust fund helps make public works projects affordable – and public works projects mean jobs, which is my number one priority. Many of the projects on the list have economic benefits because they create the infrastructure a community needs to attract employers. Others, like this water district project, will support growth. Either way it's a worthwhile program – we just hope it doesn't represent the high-water mark of job creation this session.

Growth management meets youth sports

As the search for affordable living space drives more people away from cities, the demand for recreational facilities in outlying areas grows. In the third week of the session I introduced a bill to amend the Growth Management Act. My bill would allow the conversion of idle farmland into ballfields and other recreational facilities for children.

House Bill 1567 stems from the Snohomish County executive's plan this spring to close any athletic fields operating on unused farmland in the county. A similar measure was introduced in 2003 and 2004 but was never given a hearing. A change in committee leadership may improve the bill's prospects this year.

The bill would allow "agricultural lands that are not being used for the commercial production of food or other agricultural products to be used for recreational activities." It would offer a permanent, statewide solution – unlike other solutions that "grandfather" in fields Snohomish County built before 2004.

The legislation takes into account concerns about altering the use of unused farmland. It would allow things like portable concession stands, temporary bleachers, and chalk lines, but no permanent structures.

The GMA has often caused many farmers in Snohomish and other counties to stop raising crops. I hope to amend the law so the act is out of the way of building facilities helpful in raising kids.

Bill to review tax incentives will cause concern among employers

Employers want certainty, not risk. If they're here or thinking of moving here because a tax incentive has made Washington a competitive place to do business, House Bill 1069 may make them think twice.

This legislation was promoted as a 'good-government bill.' I think it's really a bad-economy bill. It would put employers in the strange position of having to account for how they spent their own money – because money they don't pay in taxes is their money! I doubt it will be viewed by employers as a friendly gesture – it's more like a hand pushing them away.

HB 1069 would require tax incentives to be reviewed by a government commission that would regularly recommend whether to repeal them. It would create a seven-person panel to make annual recommendations about whether the Legislature should continue, modify or terminate tax preferences contained in state law.

Three of the panel's five voting members would be appointed by the political party of the governor, and two would be appointed by the other political party. The bill also would order that a report on tax preferences expiring between this July and 2007 be delivered in time for the 2006 session.

We already have two panels in the Legislature to review tax incentives. One is the House Finance Committee. The second is the Senate Ways and Means Committee. The bill would cost \$760,000 we don't have for a process we don't need. And why a partisan, appointed commission, when your elected representatives make the final decisions anyway?

I'm concerned that the intent of this commission is found in testimony heard in the House Finance Committee, from the groups who said tax incentives need to be reviewed because they want more money from the state. Eliminating tax incentives would put more money into the general fund for those groups to pursue, but at what price to the economy? I can't think of any sector of our economy where we can afford to lose employers.

A plan for fiscal integrity

Our legislative caucus showed last week how we would take government and taxpayers in a more fiscally and economically positive direction – not toward \$600 million in new taxes.

We stepped forward with a pair of practical, taxpayer-friendly proposals that would keep government living within its means and invest in priorities such as education, health care and the environment – while steering clear of tax increases.

House Bill 1835 would restore the state's statutory spending limit and require the Legislature and governor to fit an operating budget to that limit, instead of bending the limit to meet the desired spending. We also would add the top-ranking minority-party members of the House and Senate budget committees to the Expenditure Limit Committee, allowing a more bipartisan approach to spending decisions.

Washington has a rainy-day fund, but it's not constitutionally protected and lacks specific safeguards to protect it from raids. Our solution is House Joint Resolution 4210, which would put money in reserve to protect citizens from tax increases and severe service cuts during the inevitable economic downturns.

Our state's economy is on the mend. We expect to have 7 percent more revenue to invest in education, health care and other priorities. It's time to bring some fiscal integrity back to government and get Washington's budget back on track: HB 1835 and HJR 4210 would take us two important steps in that direction.

A better solution to the health care crisis

We understand that you're concerned about health care. We think House Bill 1686, the comprehensive health care bill introduced a week ago, would give you reason for hope.

HB 1686 would require an independent cost-benefit analysis of the 47 mandates that make health plans unaffordable to many employers. It would put a freeze on any new requirements. The idea here is not to limit consumer choice, but to clearly define the effect each mandate has on the cost of health care, to help us work toward making coverage more affordable, so that more people can have coverage through their jobs rather than through government programs.

This legislation would include tort reform by capping non-economic damages at \$350,000, limiting lawyer's fees in malpractice lawsuits, and requiring defendants to pay damages proportionate to their share of fault. This would help bring down the cost of liability insurance and help keep physicians from leaving Washington or closing their practices. It would not prevent victims from receiving compensation when a procedure has gone wrong.

HB 1686 also would offer public employees the option of opening Health Savings Accounts (HSAs). Think of an HSA like a Individual Retirement Account for health care, with money going into a tax-free account to help pay medical bills.

The bottom line: HB 1686 would lower costs, improve access, increase competition in the private marketplace through more options, and give consumers more control over their health care services.

Fighting fraud more efficiently

The governor said in her inaugural speech that she wants to hold state government accountable, and this past week we introduced more legislation to help. House Bill 1909 would create an Office of Inspector General and move several state agencies' fraud investigation units under its authority.

Each year Washington spends about \$10 billion on claim benefits, mostly in the departments of Social and Health Services, Labor and Industries, Employment Security, Transportation and the Health Care Authority (the agency that provides state employee and low-income health care). Because of the large dollar amounts involved, there is a potential for fraud in both claim eligibility and bid contracting.

These state departments have their own units designed to identify and investigate claims fraud. However, that arrangement can't prevent agency politics from quashing aggressive investigations against people who are in essence stealing from taxpayers. Besides, DSHS can't account for \$3 billion – how can it assure us it is preventing fraud?

If the bill becomes law, the Office of Inspector General would consist of the inspector and minimal support staff. Each agency's fraud unit would report to the OIG, and the OIG would report directly to the governor.

State government accountability has long been a top priority for my legislative caucus. HB 1909, which has strong bipartisan support, would help accomplish that goal.

Performance audits approved again

Audits of state agency performance have been part of our accountability agenda for several years. For the second straight year we helped pass a performance audit bill.

Substitute House Bill 1064 would authorize the state auditor to contract out performance audits of state agencies in consultation with a citizen advisory panel. The auditor would then issue a scorecard on the agencies' performance, along with recommendations for improvement.

During floor debate we proposed strengthening the bill to give the auditor greater authority to set the scope of audits. However, the amendment was rejected in favor of its substitute version, which would leave a larger share of authority with the advisory board. That version passed on a 74-22 vote.

Under the bill, results of the assessments and grading will be submitted to the governor, other legislative agencies, and the public by December 15 each year.

We hope this measure, if it becomes law, will prod agencies into stretching taxpayer dollars further.

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